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Reference and Source Material on...

I. HOUSING AND HOUSING NEEDS

II. ECONOMIC AND SOCIAL COSTS OF GOOD AND BAD HOUSING

III. WHO PAYS FOR PUBLIC HOUSING

Compiled by:

PUBLIC HOUSING ADMINISTRATION
Housing and Home Finance Agency

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I. HOUSING AND HOUSING NEEDS

HOMES ARE THE FOUNDATION OF A COMMUNITY.

A working-man spends one-third to two-thirds of his time there.
A housewife spends 2/3's to 19/20's of her time there.
A preschool child spends 2/3's to 19/20's of his time there.
A school child spends half to 3/4's of his time there.

More of a city's area is used for housing than for any other purpose.

Residential property contributes about half of a city's real-property tax income.

Services for residential areas (including schools) consume more than half of the community income from real-property tax income.

--Source for above data and statements: Introduction to Housing, Facts and Principles, by Edith Elmer Wood. U. S. Government Printing Office, Washington, 1940.

Studies of 22 cities show that the greatest amount of land area in urban communities is used for residential purposes. Streets and alleys take up the next highest amount of land, and then come industrial establishments, commercial enterprises, public and institutional buildings, and parks and open space, in order named.

--Source: National Housing Agency, Chart VIII-A, "Use Pattern of Developed Urban Land Areas." Statement of National Housing Administrator before the Senate Subcommittee on Housing and Urban Redevelopment, January 1945.

Housing constitutes approximately 40 percent of developed urban land area, 50 percent of assessed valuation of all urban property subject to local property taxation, 60 percent of total urban real property valuation. It provides 45 percent of local tax revenues, and 35 percent of total local revenues.

--Source: National Housing Agency, Chart VIII-C, "Housing in the Municipal Economy." Statement of National Housing Administrator before Senate Subcommittee on Housing and Urban Redevelopment, January 1945.

The cost of housing and household utilities is the second largest item in the consumer's budget. Only less important than food, it accounts for almost one-fifth of total consumption expenditures in the United States.

--Source: America's Needs and Resources. by J. Frederick Dewhurst and Associates. The Twentieth Century Fund, 1947.

The average person from 1930-39 spent 28.8 percent of his income on household rent and operation, composed of 15.4 percent rent and 13.4 percent operations, including utilities, fuel, purchase and repair of household furnishings, equipment, and supplies.

Household expenditures rank second in the consumer's budget of expenditures, less only than food and tobacco, which claim 30.3 percent of his income. Annual average expenditure from 1930-39 for household rent and operation totaled $17,143,000,000 for the Nation

--Source: Department of Commerce, quoted in National Housing Agency Chart VII-A, "Housing Expenditures." Statement of National Housing Administrator before Senate Subcommittee on Housing and Urban Redevelopment, January 1945.

Percent of income spent for housing, by income groups.

A Bureau of Labor Statistics survey in 1941 of urban families in 62 selected cities indicates that the portion of the family resources allocated for housing increases as the family income declines.

Measurement of housing costs against total family expenditures shows that the ratio increases steadily from 21.3 percent for the $2,500-$3,000 income group to 33.7 percent for the group with incomes under $500. When housing expenditures are measured against family income, the ratio increases from 20.0 percent to 42.5 percent.

The fact that housing expenses loom so large in the budgets of low income families has this significance: It indicates that the general hardships of these low income families may be due not only to the inadequacy of income per se, but also to the fact that there is a channeling of an excessive portion of their income to housing at the sacrifice of other necessities. This suggests that many of our low income families who have been treated as "relief problems" should rather be treated as housing problems. It follows, also, that there would be little net advantage in a program furnishing low income groups with

better housing if it resulted in higher cost to them. The obvious reason for this is that an increase in the cost of housing would result in additional strictures upon other necessities...the reduction of housing costs is a primary requisite for an effective postwar housing program.

--Source: Statement of National Housing Administrator, before Senate Subcommittee on Housing and Urban Redevelopment, January 1945.

NEED FOR HOUSING

Estimates of post-war housing needs range from under a million to well over a million and a half units per year, for at least ten years. Some of these estimates are:

Housing and Home Finance Agency

1.	Estimated 1960 families according to Bureau of Census	39,500,000
2.	Allowance of 4 percent effective vacancies (i.e. units actually for rent or sale and habitable year round)	1,600,000
3.	Total dwelling units needed in 1960	41,100,000
4.	Subtract: Effective inventory as of April 1947	32,729,000
5.	Number of additional units needed from beginning of 1947	8,371,000
6.	Subtract: Units added to supply in 1947 and 1948	2,100,000
7.	Net additional number needed between 1948 and 1960 to bring requirements and supply into balance.....	6,271,000
	Add:	
8.	For replacement of estimated loses from 1947 to 1960 (fire, demolition, floods, etc.)	520,000

9. For rehabilitation or replacement of substandard units equivalent to nonfarm units in need of major repairs and of urban units lacking private bath and toilet	5,600,000	
10. For rehabilitation or replacement of substandard units in surrounding suburban areas and for rehabilitation or replacement of standard units deteriorating by 1960	2,000,000	
11. For replacement of temporary structures	350,000	
12. Total rehabilitation and replacement, to 1960		8,470,000
13. Total nonfarm requirements to 1960		14,741,000
Add:		
14. Rehabilitation or new construction of farm housing	2,000,000- 3,000,000	
15. TOTAL U. S. housing requirements	16,741,000-17,741,000	

Annual averages

Nonfarm	1,340,000
Farm	182,000 - 273,000
Total	1,522,000-1,613,000

--Source: Estimated Future Housing Requirements of the U. S., prepared by the Housing and Home Finance Agency, Washington, 1948.

Senate Banking and Currency Committee

There is an estimated need for an average rate of homebuilding over the next 12 years of about 1,500,000 dwelling units a year, including nonfarm and farm.

--Source: Report, Senate Committee on Banking and Currency, accompanying S.1070, Housing Act of 1949, 81st Congress.

Joint Congressional Committee on Housing

Housing production (both farm and nonfarm) over the next 12 years should average at least 1,500,000 units a year and should well exceed that figure in many years. Of the total, it is estimated that not less than 1,285,000 should be nonfarm units. Estimates of the rural housing job call for between 200,000 and 300,000 units a year for at least a decade.

--Source: Housing Study and Investigation. Final Majority Report of the Joint Committee on Housing, 80th Congress, March 15, 1948.

Council of Economic Advisers

Estimates of the peoples' housing needs, including the rural areas, range up to a million and a half or even more units per year on an average over the next 10 years.

--Source: Council of Economic Advisers. Second Annual Report to the President, December 1947.

National Public Housing Conference
National Association of Housing Officials

1,500,000 homes are required annually from 1948 through 1960.

--Source: A Housing Program for Now and Later. Published by the National Public Housing Conference, Washington, February 1948.

Twentieth Century Fund

To bring all housing (urban and rural) up to standard during the 15-year period from 1946 to 1960 and also provide for new families, we would have to build a total of 19,678,000 new units and rehabilitate 5,438,000 units--an annual average for 15 years of 1,312,000 new and 363,000 rehabilitated units.

--Source: America's Needs and Resources, by J. Frederick Dewhurst and Associates. The Twentieth Century Fund, 1947.

Earlier estimates that have been generally supported by the U. S. Census Bureau's April 1947 surveys are:

National Housing Agency, 1944.

A 10-year need for construction of 12,600,000 nonfarm dwelling units, or 1,260,000 per year, based on assumption that we will replace only half of our existing backlog of substandard housing. If the entire substandard group were to be replaced in the 10-year period, the need would be 16,100,000 units in 10 years or 1,610,000 per year.

The 12,600,000 estimate includes:

6,300,000 units for net increase in new urban families in 10 years after the war. 6,100,000 to replace substandard units; this is one-half of existing substandard units and of those that will become substandard during the period, or their equivalent. 200,000 units to be replaced for units destroyed by fire, storm, and flood.

--Source: Housing Needs, A Preliminary Estimate. National Housing Agency Bulletin #1, 1944, Washington.

Twentieth Century Fund, 1944.

Well over a million new dwellings a year. Majority should be medium priced and low-priced, from under $2,000 to $4,000. A large part needed for rent rather than sale.

--Source: American Housing: Problems and Prospects. The Twentieth Century Fund, 1944.

Congress of Industrial Organizations, 1943.

Average of at least 1,500,000 homes per year for 10 to 20 years.

--Source: Good Shelter for Everyone. Research and Education Department, CIO, Washington.

American Federation of Labor, 1945.

Aggregate of 15,600,000 dwelling units for ten-year period after the war, averaged per year at 1,500,000.

--Source: Testimony before the Senate Subcommittee on Housing and Urban Redevelopment, January 1945, AFofL, Washington.

Producers' Council, 1943.

An annual average construction of 972,000 dwelling units in the five years from 1947-1951.

--Source: Report of the Market Analysis Committee, Producers' Council, Inc., November 1943.

F. W. Dodge Corporation, 1943.

820,000 units a year in the first post-war decade.

--Source: T. S. Holden, F. W. Dodge Corporation. Quoted from the Architectural Record, September 1943.

CONDITION OF HOUSING

The latest comprehensive figures on the supply and condition of housing is the sample surveys made by the Bureau of the Census in April 1947. The following references are based on this data:

In April 1947 there were 41,625,000 dwelling places in the U. S. ranging all the way from 40-room mansions to 1-room shacks. The 34,133,000 nonfarm dwellings of this total represented the highest proportion of such units in U. S. history. The rural farm dwellings numbered 7,492,000.

--Source: The Housing Situation - the factual background. Housing and Home Finance Agency, June 1948.

In 1947, nonfarm units needing major repairs and units in urban areas lacking private inside bath and toilet numbered close to 5,200,000. These two categories constitute the number of dwelling units that are substandard and require replacement.

In addition, replacement will be required by 1960 of 2,000,000 deteriorated and substandard units in suburban areas and 350,000 temporary structures.

--Source: Housing Study and Investigation, Final Majority Report, Joint Committee on Housing, 80th Congress, March 15, 1948.

In April 1947, 67.3 percent of rural farm dwellings lacked running water; only 20 percent had private bath and flush toilet; about 60 percent had electric lights; 10 percent were overcrowded. Only 19 percent of farm dwellings were provided with modern facilities, such as lights, running water, bath, and flush toilet.

--Source: Raymond C. Smith, Assistant Chief, Bureau of Agricultural Economics, Dept. of Agriculture. Hearings, Senate Committee on Banking and Currency, 81st Congress, February 1949.

Overcrowding

In 1947, 2,400,000 dwelling units were overcrowded with over 1.5 persons per room. This was a decline of about 3 percent in overcrowding as compared with 1940. But to the extent that the 1,900,000 increase in the number of 2-person families between 1940 and 1947 represents recently married couples who have not begun to rear children, the proportion of overcrowded units may well rise again as these new families increase in size.

--Source: The Housing Situation - the factual background. Housing and Home Finance Agency, June 1948.

Doubling

The number of married couples living with other families has risen from about 1,435,000 in 1930 and 1,846,000 in 1940 to 2,712,000 in 1947. This means that doubled families now equal 6.9 percent of all households compared with 5.3 percent in 1940 and 4.8 percent in 1930. In addition to those living doubled with other families there were in 1947 some 149,000 normal families living in quasi-households, institutions, rooming houses, transient hotels, etc. -- compared with only 100,000 in 1940.

All told there were, in April 1947, nearly 2,900,000 married couples who lacked separate homes of their own, an increase of nearly 1,000,000 over the 1,950,000 such families in 1940

--Source: The Housing Situation - the factual background. Housing and Home Finance Agency, June 1948.

The last complete housing census was that of 1940, conducted by the Bureau of the Census. Very important changes in the housing figures have taken place since that time, but the following estimates of need, based on the 1940 figures, are included for reference purposes:

Of the 37 million dwelling units in the U. S. in 1940, it is estimated that 16 million needed to be either replaced or rehabilitated. Almost a fifth of all units needed major repairs; about 30 percent lacked running water; 40 percent lacked a private toilet; about 45 percent lacked a private bath or shower.

--Source: America's Needs and Resources. By J. Frederick Dewhurst and Associates. The Twentieth Century Fund, 1947.

In 1939, of the 21,600,000 urban dwellings, 6,200,000 or 28.6 percent were substandard by reason of needing major repairs or of lacking in modern plumbing facilities (private bath or toilet).

Of the 6,200,000 substandard urban units, 2,600,000 were in need of major repairs, the continued neglect of which would make them a hazard to safety; 1,400,000 had no running water in the house; 3,750,000 were without indoor toilets, and 5,000,000 had no private bath. Thus, many of the substandard units were defective in more than one respect.

--Source: 1940 U. S. Housing Census

Of the urban housing in 1940, 1,200,000 or 5.7 percent had more than 1.5 persons per room, a serious stage of overcrowding.

Approximately 7 million nonfarm units are believed to have been substandard in 1940 and in need of replacement.

--Source: Housing Needs, A Preliminary Estimate. National Housing Agency Bulletin #1, 1944.

Nearly 4 million nonfarm units need major repairs and over 6 1/2 million more lack running water or private indoor sanitary and bathing facilities. On the farm, conditions are relatively much worse. Of the 7,600,000 farm dwellings, nearly 2,500,000 need major repairs, and over 3,700,000 more lack any sort of indoor water supply.

--Source: Report to the Special Committee on Postwar Economic Policy and Planning by the Subcommittee on Housing and Urban Redevelopment, August 1, 1945.

Of more than 8,600,000 rural nonfarm dwellings, 5,150,000 or 63.9 percent were in need of major repairs or lacked plumbing facilities.

--Source: 1940 U. S. Housing Census

Of more than 7,600,000 rural farm dwellings over 6,900,000, or 90 percent, needed major repairs or lacked modern plumbing facilities such as baths or toilets, or running water in the house.

--Source: 1940 U. S. Housing Census

"Circles of Rot"

Because of the lack of good housing for the poorer groups, the pattern of American cities through the years has become one of progressive housing rot, usually beginning at the very heart of the city, which is the older part, and spreading through lessening degrees of decay to the expanding outer rim or suburbs where good housing has fled. High land values and taxes on the slum property have resulted in continued failure to maintain and repair the old houses, in exorbitant rents for insanitary and inadequate quarters, and in over-crowded dwellings by families unable to afford enough space to live in.

--Source: "Decline of Central Cities," pages 16-17, American Housing: Problems and Prospects. The Twentieth Century Fund, 1944.

A map of Denver's housing illustrates this point. At the center the map shows 60 percent or more of the housing substandard. Around the center is the area that is between 40 percent and 60 percent substandard. Moving out, one comes to the area of housing that is between 20 percent and 40 percent substandard. And on the fringes is the area with housing that is under 20 percent substandard. Another map, of San Francisco, also illustrates "circles of rot."

--Source: Map from Housing in Denver. Vol. 17, No. 1, University of Denver Reports, June 1941. Published by the Bureau of Business and Social Research and the School of Commerce, Accounts and Finance, University of Denver, Col.

--Source: "Conditions of Residential structures in San Francisco," Map reproduced in San Francisco's Housing, published by the Housing Authority of the City and County of San Francisco, May 1941.

The neighborhood near the business center of the city, the neighborhood which has seen better days and which originally contained residences of good type, is today the best known type of slum. As business crept in and changed its character; as original residents moved further from the center in search of space, quiet, and gardens; as single family houses were split up into apartments or became rooming houses, as buildings or parts of buildings became converted to office or shop use; the neighborhood deteriorated and people who could afford to do so moved out.

--Source: Slums and Blighted Areas in the United States, by Edith Elmer Wood. U. S. Government Printing Office, 1938.

WHO NEEDS HOUSING?

In the spring of 1947 there were 2,800,000 families living doubled up with other families, the vast majority because of acute housing shortage. An additional 500,000 families were living in temporary housing, trailers, rooming houses, and other makeshift accommodations. Moreover, in 1946, even with the sharp expansion of home building, the net number of new families formed greatly exceeded new homes built. Finally, a very substantial proportion of the existing housing supply is far below minimum standards of decency.

--Source: Housing Study and Investigation. Final Majority Report of the Joint Committee on Housing, 80th Congress, March 15, 1948.

The bulk of demand in the 15-year period 1946-1960 it is estimated will be for houses costing slightly more than $3800 at 1940 prices.

--Source: America's Needs and Resources, by J. Frederick Dewhurst and Associates. The Twentieth Century Fund, 1947.

Nonfarm housing needs over the next ten years require 12,600,000 units of new construction as follows, based upon 1940 price levels:

1. About 3,600,000 units, about 28 percent of the total, will be needed at monthly charges of less than $20;
2. Above 4,800,000 units, about 38 percent of the total, will be needed at monthly charges between $20 and $40;
3. Above 4,200,000 units, about 34 percent of the total, will be needed at monthly charges above $40.

--Source: Hearings on S.1592. Committee on Banking and Currency, U. S. House of Representatives, July 1946. Statement by National Housing Administrator and Expediter.

Needs of Minority Groups

One-fourth of nonfarm dwelling units occupied by nonwhites were in need of major repairs in 1947; 36 percent were without essential plumbing facilities.

The proportion of nonfarm dwelling units occupied by nonwhites which were substandard (needed major repairs or lacked essential plumbing facilities) was almost six times as high as that for whites. Overcrowding among nonwhites was over four times as great as for whites.

--Source: Housing of the Nonwhite Population (figures from U. S. Bureau of the Census, April 1947). Housing and Home Finance Agency, Washington, June 1948.

About 55 percent of married Negro veterans in the South and 45 percent in the North were living doubled-up or in rented rooms or trailers. Furthermore, about 37 percent of Negro veterans in the South and about 29 percent in the North were living in dwellings needing major repairs or lacking one or more standard plumbing facilities.

Negro veterans were able to pay on the average monthly rents of $31 in the South and $39 in the North.

--Source: The Housing of Negro Veterans. Housing and Home Finance Agency, Washington, January 1948.

VETERANS' NEEDS

35 percent of married veterans (in 108 areas surveyed by the Census Bureau July 1946 to January 1947) were living doubled-up or in rented rooms, trailers, or tourist cabins. One-tenth of all veterans (excluding roomers) in the surveyed areas were living in housing needing major repairs or lacking proper bathing or toilet facilities.

Among veterans who desire to own homes, 10 percent can afford to pay less than $4,000; 10 percent can afford $4,000 to $5,000; 22 percent can afford $5,000 to $6,000; 21 percent: $6,000 to $7,000; and 37 percent can afford to pay over $7,000.

Veterans desiring to rent homes are able to pay: less than $30 per month for rent and utilities, 8 percent; $30 to $39, 26 percent; $40 to $49, 36 percent; $50 to $59, 19 percent; $60 and over, 11 percent.

Incomes of veterans surveyed averaged $46 weekly; incomes of 3 percent averaged less than $20 weekly; 28 percent had incomes averaging between $20 and $39; 46 percent had incomes averaging $40 to $59; and 19 percent had average weekly incomes of $60 and over.

--Source: Veterans' Housing Plans and Living Arrangements in 1946, For 108 survey areas. Statistics Bulletin #2, January 1948. Housing and Home Finance Agency, Washington.

Among Veterans who desire to own their homes, 14 percent felt they could afford to pay more than $50 a month, 54 percent felt they could afford to pay between $30 and $50 a month, and 32 percent felt they could afford to pay only $30 a month or less.

Among veterans who desire to rent houses, 11 percent felt they could afford to pay more than $50 a month, 55 percent felt they could afford to pay between $30 and $50 a month, and 34 percent felt they could afford to pay only $30 a month or less.

--Source: War Department Survey of Separation Centers, December 1945.

Our present housing problem is of long standing. While developments attributable to World War II have contributed to the intensity of our present problem, the current shortage actually has been accumulating over a long period of years when the volume of new housing construction was less than the net increase in new families.

--Source: Housing Study and Investigation. Final Majority Report, Joint Committee on Housing, March 15, 1948, 80th Congress.

HOUSING POLICY

"...The importance of a well conceived comprehensive housing policy cannot be exaggerated. There is no problem before the American people with more varied aspects than that of housing, each of them important to the future welfare of the country.

"From the social point of view, a supply of good housing, sufficient to meet the needs of all families, is essential to a sound and stable democracy. Every family must have a decent home in which to live. The character of that home determines more than anything else the character of family life, the conditions in which children grow up, and the attitude of the people toward the community and the Government..."

"...Slums have inevitably grown up in all our cities and in our towns and in the open country-side; and overcrowding and makeshift alteration have necessarily been utilized to balance our shortcomings.

"We can no longer accept these conditions as unavoidable. We cannot safely face the difficult undertakings of the years ahead, with the burden of hardship and discontent that bad housing imposes upon us. The issue must be faced and the task assumed. It is a task which cannot be performed in one year, nor perhaps a decade, but one which as a nation we must devotedly pursue and accomplish as rapidly as proper use of our resources permits."

--Source: Report of the Subcommittee on Housing and Urban Redevelopment, U. S. Senate, August 1945.

"Housing is of sufficient importance to the economic and social welfare of the American people as a whole as to justify and require effective Federal action to help improve housing conditions...the Federal Government should join with industry, labor, and State and local governments in policies aimed at eventual achievement of a decent home and a suitable living environment for all families--the essential foundation for any national housing policy."

--Source: Housing Study and Investigation. Final Majority Report of the Joint Committee on Housing, 80th Congress, March 15, 1948.

"...The general welfare and security of the Nation requires the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. In our advance toward that goal, the policy declaration (in Senate Bill 1070) recognizes the necessity of attaining a rate of housing production sufficient to overcome the serious housing shortage and to replace slums and other inadequate housing..."

--Source: Report, Committee on Banking and Currency (to accompany Senate Bill 1070, to establish a national housing objective and policy). U. S. Senate, February 1949.

"...Some of the (housing) programs of strictly emergency or experimental character have been discontinued and have been or are being liquidated. But from a considerable part of this legislation have emerged permanent programs which have been continually revised and improved by the Congress to serve changing needs. These include a system of aids to home financing institutions which is administered by the Home Loan Bank Board; the credit insurance programs of the Federal Housing Administration; and the low-rent public housing program administered by the Public Housing Administration.

"Underlying the development of these programs, as well as the establishment of several emergency programs, has been the implied recognition that the well-being and security of the home are matters of national public policy, and that the stability of the home-building industry is essential to the health of the economy..."

--Source: Report, Committee on Banking and Currency, to accompany H.R. 4009 (Housing Act of 1949), House of Representatives, May 16, 1949.

II. ECONOMIC AND SOCIAL COSTS OF GOOD AND BAD HOUSING

GOOD HOUSING COSTS MONEY--majority built for higher income groups

"...Incomes of the American family...in the last analysis determine what kind of houses these people can afford either to buy or to rent..."

--Source: Dr. Isador Lubin, Commissioner of Labor Statistics, U. S. Department of Labor. Hearings, Temporary National Economic Committee, 1939 (P.4949, Part II, Construction Industry).

During 1938, the Bureau of Labor Statistics testified, 1/10th of one percent of the new nonfarm dwellings built were within the means of the 37 percent of families with incomes under $1,000.

3.7 percent of dwellings built were within the means of the 24 percent of families with incomes between $1,000-$1,500.

15 percent of dwellings built were within the means of the 18 percent of families in the income group between $1,500-$2,000.

In summary: only 19 percent of the new housing built in 1938 was available to the 76 percent of nonfarm families having incomes of less than $2,000, while 81 percent were built for families with incomes of $2,000 or more. In other words, the number of dwellings built was in inverse ratio to the number of families in each income group.

--Source: Monograph #8 - Toward More Housing. Temporary National Economic Committee, 1940.

The reports of the Bureau of the Census show that 19.7 percent of urban families had money incomes in 1947 of less than $2,000, while 30.3 percent had incomes of less than $2,500. On the accepted basis of paying one-fifth of their incomes for housing, the average rent which the urban families in this lowest 30 percent income group can afford to pay would be approximately $27 per month, including heat and all other utilities.

"If the families now living in the slums are to be provided with decent homes, it is, therefore, evident that a large additional supply of housing must be provided at rents which will average somewhat under $30 per month, including all utilities."

--Source: Report, Committee on Banking and Currency, to accompany S.1070 (A Bill to Establish a National Housing Objective and Policy). U. S. Senate, February 1949.

Charts showing lack of home construction for families in low income brackets:

Seven Myths of Housing, by Nathan Straus.

Chart page 10, comparing urban income groups with percent of private housing and with percent of public housing provided.

Chart page 107, comparing numbers of families by income to amount of housing built, 1941. Within the means of 10 million families with annual incomes under $1,500, 500,000 new urban dwellings were built in the decade from 1930 to 1940.

Introduction to Housing, by Edith Elmer Wood.

Chart page 90, comparing number of families by income groups and housing built, from data for 28 cities, 1939.

Within the means of 3,800,000 families in 28 cities with annual incomes under $1500, 40,000 new dwellings were built between 1929 and 1935.

Housing Costs, National Housing Agency Bulletin #2, 1944.

Appendix A, part 2. Table showing for 1941 the percent of FHA Title II borrowers compared to number of families in various income groups. FHA insured mortgage loans represent housing of acceptable standards, so that comparison reflects provision of adequate housing compared to income need. Table shows that the income groups of less than $1,500, accounting for 41 percent of nonfarm families, represented only 8 percent of FHA Title II borrowers.

National Housing Agency, Chart XIII-A1, "Annual Average Nonfarm Dwelling Units Needed, 1946-1955." By monthly rentals, compared with dwelling units started.

In 1947 most of the housing built was for families in the higher income brackets. To the extent that low and middle income families were served, high cost placed an excessive financial strain upon them.

Only a small minority of families can afford to purchase new houses of satisfactory size and quality.

--Source: The Economic Report of the President to the Congress, January 1948.

BAD HOUSING COSTS MORE

The cost of slums to the taxpayer has been measured in dollars and cents.

In Boston, where the City Planning Board made a study in 1935, it was discovered that the per capita deficit to the city from a slum area was $48.24; from all other residential areas the average deficit was $10.81.

In Indianapolis, Indiana, the average per capita cost of services to a slum area was $61.85 compared to $38.56 per capita for the city as a whole.

In Cleveland it was found that the per capita cost of operating a slum area was $61.22. The deficit here was $51.10 per capita.

--Source: Introduction to Housing, by Edith Elmer Wood. Government Printing Office, 1940.

National Housing Agency Chart VIII-E-1, "Municipal Expenditures in Slum Areas, Cleveland and Indianapolis."

National Housing Agency Chart VIII-D, "City Revenues and Expenditures for Various Types of Housing Areas (based on city-wide survey, Boston 1935)."

In Birmingham, Alabama, municipal expenditures in 22 blighted areas were 3 times the income from these areas. In 4 good areas the expenditures were 5/6's of income.

In Atlanta, Georgia, slum areas contributed 5 1/2 percent of the city's real property tax revenues, but cost 53 percent of the city's police, fire, health, and other service costs.

In Philadelphia, Pennsylvania, the per capita cost of crime in a typical slum area was $14.56, compared with $5.36 on a city-wide basis.

--Source: National Housing Agency Chart VIII-E-2, "Municipal Expenditures in Slum Areas."

A municipal income-and-expense study in Buffalo, based on a report of the Department of Audit and Control for 1933, showed the following comparison of average annual cost per family between the city-as-a-whole and slum areas:

	City as a whole	Slum area
Police Protection	$19.19	$27.16
Fire Protection	15.40	35.79
Juvenile Delinquency	.25	.60
Public Health Services	15.52	52.56
Public Welfare Services	89.50	224.01

--Source: 10 Years of Progress, 1934-1944. Buffalo (New York) Municipal Housing Authority.

City services (fire, police, health, welfare, and juvenile court) to the decayed Geary-Fillmore district cost $741,315; to the clean, bright Marina district (comparable in size and population) city services cost $86,659.

--Source: Blight and Taxes. A study contrasting two neighborhoods. San Francisco Planning and Housing Association, November 1947.

A comparative study in 1945 of a blighted area in Boyle Heights and a good housing area in the West Adams district clearly indicated that the blighted areas are subsidized by the rest of the city. Whereas the per capita real property tax revenue from the Boyle Heights area was $4.25 annually, the per capita cost to the city for just supplying fire, police, health, and recreation services amounted to $7.00. This was in direct contrast to the per capita real property tax revenue of $11.30 and a per capita cost of $3.67 for the same four municipal services in the West Adams district. Rough estimates indicate the Los Angeles taxpayers are subsidizing the Boyle Heights area alone to the extent of approximately $288,000 annually.

--Source: Los Angeles City Planning Commission, Los Angeles, California

The net cost of Newark's slums each year is over $14,000,000.

The "normal" municipal cost of maintaining a dwelling of minimum safety and comfort in a fairly good neighborhood is approximately $150. The municipal cost of maintaining a slum dwelling is $380. The difference of $230 would be the municipal cost per dwelling attributable to the slum conditions, or the "excess cost" of a slum dwelling.

--Source: The Cost of Slums in Newark, a study by Dr. Jay Rumney and Sara Shuman. Published by the Newark (N.J.) Housing Authority, 1946.

Part of the high cost of slum and blighted areas is the high tax delinquency. In St. Louis, delinquency in slum areas ranged from 25 to 40 percent as against 2 to 5 percent in newer residential districts. In Cincinnati, Milwaukee, Detroit, and Peoria tax delinquency and blight were closely related. Cleveland; Cambridge, Massachusetts; and New York City show the same pattern.

--Source: "(Tax) Delinquency in Slum Areas," American Housing: Problems and Prospects. The Twentieth Century Fund, 1944.

Thirteen primarily residential areas in Manhattan contained almost 1/2 of all the properties in Manhattan which had been tax delinquent for more than 3 years, although the areas themselves constituted less than 1/5th of Manhattan's area and contained only about 1/3 of the number of its (land) parcels.

In dollars and cents, tax delinquencies in the 13 areas, measured on a percentage basis, were 2 1/2 times as serious as in the remainder of Manhattan.

Tax dollar delinquency in the thirteen blighted areas was approximately double that of non-blighted residential areas.

The taxes which these thirteen blighted areas should bear but fail to pay are borne by healthy real estate elsewhere.

--Source: Ailing City Areas. Economic Study of Thirteen Depressed Districts in Manhattan. Citizens' Housing Council of New York, May 1941.

Substandard housing areas constitute pernicious environments for the young, and, while contributing little to the tax income of the municipality, consume an excessive proportion of its revenues because of the extra services required for police, fire, and other forms of protection.

--Source: Supreme Court of Pennsylvania, Eastern District, January Term, 1947. Opinion of the Court, upholding constitutionality of public action to clear and reconstruct slums.

SOCIAL EFFECTS OF BAD HOUSING

Areas of bad housing and high rates of disease, delinquency, and crime coincide.

Tuberculosis is shown to be most prevalent in overcrowded homes. Highest rates of digestive diseases are found in homes without private inside flush toilet. Home accidents are most numerous in homes renting for less than $10 monthly. Common communicable diseases of childhood are most frequent in homes with more than 1.5 persons per room.

--Source: NHA Chart VIII-H, "Relationship of Housing Conditions to Health," based on National Health Survey, 1935-1936, U. S. Public Health Service.

"New Light on Relationship of Housing to Health", by Rollo H. Britten. American Journal of Public Health, February 1942.

Infant mortality rate is higher in overcrowded homes. Figures from eight cities show that the infant mortality rate in families averaging less than one person per room was 52 per 1,000 live births. Where the room density was between 1 and 2, the rate was 94.9, and for 2 persons per room and over, it was 135.7. With adjustment for income and race, it was found that the infant mortality rate in congested homes was still about twice as high as in homes where there was enough space.

--Source: "Casual Factors in Infant Mortality," 1925. Quoted in Slums and Blighted Areas in the U. S., by Edith Elmer Wood. Government Printing Office, 1938.

Pneumonia and tuberculosis mortality rates in the Basin slum area for 1939-41 were significantly greater than in the rest of the city. For the white population, Basin dwellers died from tuberculosis at nearly 3 times the rate for those living outside that area; from pneumonia at almost 2 1/2 times the rate. Infant mortality was twice as high in the Basin as it was for the rest of the city. Cincinnati's 1939-41 death rate would have been about 15 percent lower had it not been for the excessive mortality in the Basin area.

"These studies have shown beyond peradventure of doubt that a decidely unequal chance for life exists in different sections of the city. There is a striking contrast in survival between life in the slums and life on the hilltops. For want of healthful surroundings slum dwellers in the Basin suffer a terrific penalty in needless sickness and needless deaths. Compared with the mortality experience of hilltop people, infant mortality and deaths from tuberculosis and pneumonia in the Basin are indeed excessive."

--Source: A Story of Life and Death in Cincinnati, as revealed by the Mortality Studies of Floyd P. Allen, M.D. Published by the Public Health Federation, Cincinnati, Ohio, October 1947.

"Bad housing, as a matter of practical fact, is profoundly detrimental to health; and the existence of the slum is a health problem of outstanding significance."

--Source: Dr. C. E. A. Winslow, American Public Health Association. Quoted from "Housing and Health," journal of Public Health Nursing, July 1940.

"...The provision of a satisfactory supply of housing is essential to public health progress...the quality of housing bears a distinct relation to the health of the people...there is a wealth of evidence that certain elements in housing contribute to the occurrence of communicable disease and to other ailments...studies point to sub-standard housing as a contributor to ill health...improving the quality of housing is a necessary adjunct to the provision of better health services..."

--Source: Leonard A. Scheele, Surgeon General U. S. Public Health Service. Hearings, Committee on Banking and Currency, U. S. Senate, 81st Congress, February 1949.

Another major contributing factor to juvenile delinquency is the shortage of good low-cost and low-rent housing. It compels families to crowd up and to occupy inadequate houses because no better accommodations are available to them. It forces the occupancy of housing units which have deteriorated beyond repair and should long since have been replaced.

"...The cumulative housing shortage...has been accompanied by an alarming increase in the break-up of family life and the increase in juvenile delinquency."

"...The most influential character-guiding force in the life of the child is his relationship with his parents. That relationship is conditioned by the physical and environmental surroundings of home and neighborhood. A family lost in the slums and blighted area of a metropolitan center or the inadequate housing and community facilities of a depressed rural section finds itself victimized by anti-social forces beyond its control..."

"The correlation between unsatisfactory and inadequate housing and juvenile delinquency is clearly established.

Good housing affords an environment within the home where each member of the family can enjoy privacy and where the surroundings facilitate growth."

--Source: Report on Housing, Community Development and Juvenile Delinquency. National Conference for the Prevention and Control of Juvenile Delinquency, November 1946. Department of Justice, Washington.

School truants, juvenile delinquents, and adult offenders tend to be concentrated in slum areas. From 1900, Chicago areas studied showed several changes in racial makeup of the population, but rates of delinquency continued high throughout. Thus one-fourth of all juvenile delinquents came from 10.9 percent of the juvenile population crowded into 6 percent of the city area. Concentration of people in the slum neighborhoods is more than twice the average for the city, and the concentration of truancy among inhabitants is 2 1/2 times the city average.

--Source: Slums and Blighted Areas in the U.S., by Edith Elmer Wood, quoting Delinquency Areas, a study of the geographic distribution of school truants, juvenile delinquents, and adult offenders in Chicago, by Dr. Clifford B. Shaw, 1929.

Chicago study results are paralleled in studies of other cities, where the relationship between concentration of population on the land and high delinquency rates among the concentrated population have been shown as follows:

City	Percent of city delinquency	Percent of juvenile population	Percent of city area
Chicago.....	25	10.9	6
Philadelphia.....	46	25.1	9.4
Cleveland.....	47.4	26.3	17.3
Birmingham.....	25	12.2	12.1
Richmond.....	50	31	18.8
Denver.....	25	11	5.7
Seattle.....	25	11.2	6.3

--Source: Slums and Blighted Areas in the U. S., by Edith Elmer Wood, quoting from volume II, Causes and Cure of Crime, Wickersham Report, 1931.

Approximately 60 percent of the cases of juvenile delinquency in this city comes from a district comprising about one-third of the city's area. In one area of bad housing in this district juvenile delinquency is nine times as great as in a good housing area of similar size in another district.

--Source: James A. McDonald, Probation Officer, Wichita Falls, Texas. Statement to the Joint Congressional Committee on Housing, 80th Congress, March 1948.

Of 1693 juvenile arrests in the Los Angeles central area during 1947, more than 70 percent occurred in the district bounded by Figueroax Street, Sixth Street, and the River, a section with the poorest housing conditions and highest population density in Los Angeles. In contrast, West Los Angeles and the San Fernando Valley, where space abounds, are areas of little juvenile delinquency.

--Source: Mrs. Curtis Albro, Police Commissioner, City of Los Angeles. (Reported in the L. A. Housing News, May 1948.)

In Detroit, Michigan, a Housing Commission survey showed that the pneumonia death rate in a slum area was 3 times the rate in a normal residential area; crimes were 5 times as numerous; infant mortality 6 times as great; the tuberculosis death rate 10 1/2 times as great, and criminals were 15 times more numerous than in normal residential areas.

In Cleveland, Ohio, a slum area containing 2.47 of the city's population, had, of the city's total, 4 percent of the larcenies, 5.7 percent of the robberies; 7.8 percent of the juvenile delinquencies, 10.4 percent of the illegitimate births; and 21.3 percent of the murders.

--Sources: NHA Chart VIII-G, "Social Aspects of Slum Areas." Quoted from: Report of City of Detroit Housing Commission; R. B. Navin's Analysis of a Slum Area in Cleveland.

"A comparison of housing maps...with the delinquency rate maps shows that inadequate housing exists much more frequently in the areas of high delinquency. The heavily shaded areas of the delinquency maps correspond closely to the heavily shaded areas of the housing maps. Conversely, those which have the fewest delinquents also have the fewest substandard dwellings.

"In the five tracts of highest delinquency, 65.6 percent of the occupied dwelling units needed major repairs or had no private bath, as compared with 3.9 percent of occupied dwelling units in the five tracts of lowest delinquency. Likewise, the five tracts of highest delinquency had overcrowding in 28.5 percent of their dwelling units, in contrast with 3.3 percent in the five tracts of lowest delinquency..."

--Source: The Houston Delinquent in His Community Setting. Research Bureau, Council of Social Agencies, Houston, Texas, June 1945.

POOR HOUSING BLIGHTS YOUTH, FIGURES SHOW
BLIGHT RAISES PRISON COSTS
BLIGHT ZOOMS PRISON COSTS: RECORDS IN CITY CITED.

--Source: Headlines on articles by Richard S. Davis, in Milwaukee Journal (Wisconsin), April 26, May 12, and June 2, 1946, based on city records of crime and juvenile delinquency, showing that one blighted ward cost taxpayers nearly $150,000 in 1945 for prison inmates.

Slum areas in the District of Columbia show Army rejection rates for personality disorders 1 1/2 times as great as in areas with good housing, according to a sample study of records of 5,800 men examined at Fort Myer, Virginia, during a 2-year period ending May 1944.

--Source: E. E. Hadley, "Military Psychiatry," an ecological note. Published in Psychiatry, November 1944.

A slum area of less than three square miles (the Fifth Police District) with about 300,000 inhabitants crowded into it, in 1945 produced more than 21 percent of Chicago's murders, 12.3 percent of all robberies, and 24.9 percent of all rape offenses. Furthermore, the years 1944 and 1943 showed substantially the same statistics.

A principal factor in the high crime rate in the Fifth Police District is the inadequate housing situation that prevails there. From the observation of Chicago Crime Commission investigators and through interviews with numerous representative citizens the conclusion is inescapable that undesirable living conditions in this area contribute materially to a high incidence of criminality.

--Source: "Crime Conditions in Fifth Police District," by Virgil W. Peterson, Operating Director, Chicago Crime Commission. Published in Criminal Justice, May 1946.

SOCIAL EFFECTS OF REHOUSING

"No program to strengthen the foundations of family life can overlook the influence of housing, the basic environment of domestic life."

--Source: National Conference on Family Life. Report of Housing Committee, May 1948.

Study under the auspices of the Newark (New Jersey) Housing Authority shows decrease in public housing projects of children's communicable diseases, infant mortality, tuberculosis, fatal home accidents, juvenile delinquency, and fires, as compared with areas of substandard housing. Conducted by Dr. Jay Rumney, Professor of Sociology, University of Newark, the study compared records of tenants in three representative projects of the housing authority with records of the population of three areas of substandard housing typical of those from which public housing draws its tenants. The study was conducted over a two-year period, 1942 and 1943. It reports the following:

	Public Housing	Three Slum Wards
Tuberculosis: New cases per 1,000 in age group 15-40.....	3.3	6
Infant deaths per 1,000 births....	34.7	40.6
Children's communicable diseases (whooping cough, measles, scarlet fever, chicken-pox German measles, mumps) per 1,000 children under 15.....	114.2	163.5
Birth rate per 1,000 women 15-40.....	118.5	86.2
Delinquents on probation per 1,000 juveniles aged 10-17.....	11	14
Fire per 1,000 persons.....	.79	2.93
Cost of fire runs at $100 each per 1,000 dwellings.....	$295	$1,115
Fatal home accidents per 10,000 persons.....	0	25

In percentages, the statistics show that the public housing projects had:

45% fewer cases of tuberculosis
15% fewer infant deaths
31% fewer cases of children's diseases
37% more births
21% fewer cases of juvenile delinquency
74% fewer fires
100% fewer deaths from home accidents

--Source: Public Housing in Newark. Report of the Newark (N.J.) Housing Authority, November 1944.

Rehoused children in Newark showed improvement in school records, over records before rehousing, as follows:

7% in attendance
10% in academic grades
16% in personality development grades
19% in health habit grades

--Source: Report of Newark (N.J.) Housing Authority, 1944.

Philadelphia public housing prcjects showed a tuberculosis death rate (per thousand) of .34 percent compared with a city rate of .598; pneumonia deaths in projects .17 percent, city rate .586 percent; criminal offenses in projects 3.14 percent, city rate 33.18 percent; juvenile delinquency in projects 1.27 percent, city rate, 2.84 percent.

The cleanliness of the grounds, the good housekeeping, and the generally excellent deportment and conduct of the tenants and their spirit of cooperation and responsiveness to constructive suggestions, their pride and satisfaction in their surroundings are ample evidence that they appreciate and are making the most of their opportunities to live and raise their families on a plane consistent with the highest levels of social behavior to be found in our better urban communities.

--Source: Homes for War Workers and Families of Low Income. Report of the Philadelphia (Pa.) Housing Authority, July 1941-June 1943.

In Cincinnati, Ohio, a 1940 study was made of the families in a public housing development and figures compared with those of an adjacent slum area and the entire city. In the new homes, the juvenile delinquency per 1,000 population was 1/7th of that in the adjacent tract. The number of criminal offenses committed in the new homes per 1,000 population was less than 1/3 of that in the adjacent tract. There were no fires per 1,000 dwellings in the new homes, compared with 18 in the adjacent tract. Deaths from pneumonia per 1,000 population in the new homes was 1/7 of that of the adjacent tract and less than 1/3 of the entire city. Deaths from tuberculosis per 1,000 numbered less than 1/2 of that in the adjacent tract and somewhat less than that of the entire city. The infant mortality per 1,000 population was 1/5 of the adjacent tract and less than 1/3 of the entire city.

--Source: Tenth Annual Report, December 1943. Cincinnati (Ohio) Metropolitan Housing Authority.

Comparison of figures for fire losses during a 5-year period at the low-rent housing, with those for a 5-year period when the same sites were occupied by slums, shows that the per capita fire loss of $4.34 for the slum area has been reduced to 12 cents per capita. The number of fires in the same areas has been reduced 56 percent.

--Source: Fire Chief, Fort Worth, Texas. As quoted in the Annual Report, Fort Worth Housing Authority, 1948.

The delinquency rate for children of 317 families dropped 1.54 percent after their entrance into a public housing development in New Haven. In the years 1924 to 1940, before moving into the development the delinquency rate was 3.18 per 100 children per year. During the years 1940 to 1944, after becoming residents of the development, the delinquency rate dropped to 1.64 per hundred children per year. These statistics are significant since total juvenile delinquency in New Haven showed an increase of 9.1 percent for the years 1940-41 as compared with 1927-1940. "It seems, therefore, that a substantial improvement in the social adjustment of children in a given group of families may be reasonably attributed to the conditions of project life."

--Source: Naomi Barer, Department of Public Health, Yale School of Medicine, reporting on a study of 317 families living in a New Haven, (Connecticut) public housing development. Journal of Housing, December 1945.

A comparative study of a former slum cleared and replaced by Carver Park, a low-rent public housing development, with an adjoining slum area shows: in Carver Park fire runs decreased 51 percent while in the slum area they increased 5 percent; major crimes in Carver Park decreased 17.5 percent; in the slum area they increased one percent; the tuberculosis rate in Carver Park was reduced by 54 percent. The rehoused area brings a yearly cash saving to the taxpayers of $61,250 in reduced costs for rent relief, fire protection, tuberculosis care, and hospitalization.

--Source: Does Good Housing Pay? A summary of a thesis by Warren P. Phelan. Published by the Regional Association of Cleveland (Ohio) 1948.

"...Incomplete studies of the health of slum dwellers who have been rehoused in public-housing projects in several cities indicate that their morbidity experience improves after they have left slum dwellings. It must be pointed out, however, that community interests developed among the tenants of public-housing projects may well result in the improvement of their nutrition and in making them more conscious of, and hence more alert to use, local public health and preventive medical services. Furthermore, it is easier to provide these people with health services."

--Source: "How Does Housing Affect Health?" by M. Allen Pond, Sanitary Engineer, United States Public Health Service. Published in Public Health Reports, May 10, 1946.

A study of the tuberculosis history of 17 families resident in a New Haven public housing development from three to seven years, and 17 parallel families elsewhere in the city showed:

favorable progress made by fifteen families in the project; nine families in the city.

unfavorable progress made by 2 families in the project; 8 families in the city.

The number of families involved in this study is too small for significant conclusions and the selection of control families--while carried out with meticulous care--must always be subject to error; nevertheless the fact that 15 out of 17 families showed such notable progress under the rehoused conditions is a somewhat remarkable one.

--Source: "A Note on Tuberculosis Among Residents of a Housing Project," by Naomi Barer, Department of Public Health, Yale School of Medicine. Published in the Journal of Housing, August 1945.

Among 11,000 Negro residents in the Wells and Brooks low-rent public housing developments there were 31 deaths from tuberculosis in the 3-year period from 1944-46. This is a tuberculosis death rate of 93 per 100,000, compared with a city-wide Negro tuberculosis death rate of 151 per 100,000 and a Negro slum area rate of 192 per 100,000.

--Source: Monthly Report, Chicago Housing Authority, July 1948.

"Most families in Terrace Village formerly lived in slum or poor areas but, given the opportunity to live in better surroundings, are tending to rise to the level of the community. Some are not able to do so, but these people can be isolated and treated individually according to need. For example, William Jones and his two brothers missed about forty days of school each semester after their mother died in 1936. The father, formerly a good worker, became discouraged and became more and more negligent. The Public Health Nurses assisted the school in getting a housekeeper in the home for a limited period of time, but it was evident we were losing out. Then came a change when the family moved into Terrace Village; the transformation was slow and for a time we feared too much damage had been done, but finally a good home and a good community helped to bring back the pride of home life that had been there formerly. We feel now that success is possible. Note that teachers, public health nurses, housekeepers, recreation leaders, and others were active, but we didn't see results until a decent home was acquired."

--Source: Citizens Look at Public Housing. A Symposium. Published by the Pittsburgh Housing Association; quoting John H. Morgart, Principal, Herron Hill Jr. High School.

24 percent of the families moving out of low-rent developments during the year ended June 30, 1948, expected to move into newly-purchased homes. This compared with 23 percent the preceding year.

--Source: Families moving out of low-rent housing developments, July 1, 1947 - June 30, 1948. Report S.228.0, Public Housing Administration, Washington.

One-third of (194) white families and one-half of (112) Negro families who left North Carolina public housing developments moved into wholly-owned or mortgaged homes. "...It is safe to conclude that the period in the project gave many families time to establish themselves sufficiently to be able to invest in a home...In practically none of the cases were the families capable of financing a home before they lived in the projects."

--Source: Social Aspects of Public Housing. An Evaluation of North Carolina Experience. By Sanford Winston, Head, Department of Sociology, North Carolina State College. 1947.

Fifty of our tenants were able to purchase homes during 1943 and many more rented homes or apartments so that they could move out of our projects. During the first six months of 1944, thirty-five of our tenants purchased homes.

--Source: Annual Report 1943-44. Housing Authority of Omaha (Nebraska).

Fifty-one low income residents felt their financial condition sufficiently improved to justify home ownership. As soon as these families were able to take the next step in self improvement, they left the housing communities and thus made available apartments for other low-income families living in substandard dwellings.

--Source: Annual Report, 1942. Birmingham (Ala.) Housing Authority.

Twenty-nine families moved out of Brewster Homes into homes purchased by themselves. At Charles Terrace, 13 tenants built or bought their own homes. At John W. Smith Homes, 6 purchased their own homes.

--Source: 9th Annual Report, 1943. Detroit (Mich.) Housing Commission.

Over 14 percent of eligible families who moved out of Cincinnati housing developments in 1947 bought their own homes.

--Source: Fourteenth Annual Report, 1947. Cincinnati (Ohio) Metropolitan Housing Authority.

Story of a steel worker and his wife and 3 children (family income, $954 a year) before and after they moved from a slum dwelling "cooped up 5 in one room," into a 4-room apartment in a public housing development.

--Source: "Home: A true picture-story of the Lester Churchfield Family, 1940-41." Pittsburgh (Pa.) Housing Authority.

"The three low-rent government housing projects have been quick to demonstrate the positive effects upon healthful living which good housing offers...the housing project is becoming the generator of healthful living, immediately influencing the lives of its residents as well as those in the surrounding areas...Of the families included in this study, 15 or 20 percent had better health as a result of improved living conditions..."

--Source: Miss Theresa K. McGrath, Family Society, New Haven, Conn., quoted in the Fourth Annual Report of the Housing Authority of New Haven, 1941-42, on a case study of 30 families living in Elm Haven.

A curious by-product of the establishment of each of the housing developments of this Authority has been the general improvement of the neighborhood outside of the Authority's own premises. Houses have been repaired and repainted and the whole level of the locality noticeably raised in each instance. The fear that a housing development would destroy values in the immediate neighborhood has likewise proven to be fallacious.

--Source: Annual Report, 1945. Housing Authority of Brownsville (Texas).

III. WHO PAYS FOR PUBLIC HOUSING

Public housing is intended for low-income families from the slums who cannot afford to pay the rents charged by private enterprise for decent, sanitary housing. To bring rents in public housing within the means of low-income families a subsidy is provided under the U. S. Housing Act of 1937. The Act divides the responsibility for providing subsidies between the local communities and the Federal Government. The federal subsidy, or annual contribution, is matched by a local subsidy amounting to at least 20 percent of the annual federal contribution. It has been found by local communities that tax exemption is the most feasible form that the local subsidy can take.

MAJOR SHARE OF COST PAID BY TENANTS

The monthly per dwelling unit income is derived from the following sources: The tenant pays 64 percent or $23.63; the local contribution is 15 percent or $5.51; FPHA's contribution amounts to 20 percent or $7.19; and 1 percent or 28 cents is received from other sources.

--Source: Federal Public Housing Authority, Chart #25, "Economic Rent." Statement by FPHA Commissioner, before Senate Subcommittee on Postwar Housing and Urban Redevelopment, November 1945.

In 1946, the total average monthly operating cost per dwelling unit was $31.05 of which the tenants paid $26 for rent, including all utilities. The remainder was made up by the contributions of the local community and the Federal Government.

--Source: Public Housing in the Postwar Era. A Statement before the Joint Congressional Committee on Housing, by the Public Housing Administration Commissioner, January 1948.

TAX EXEMPTION AND PAYMENTS IN LIEU OF TAXES.

Tax exemption is partially offset by payments in lieu of taxes. In return for tax exemption, cities get rid of heavy cost of slum areas, and often receive more in payments in lieu of taxes for new housing developments than the taxes that were assessed against the slums they replaced.

Payments in lieu of taxes for low-rent housing developments in 1944 were 56 percent greater than the full taxes levied on the sites when they were acquired by local housing authorities for slum clearance and redevelopment. Payments totaled $2,026,266, compared to a tax levy of $1,315,583 when the sites were acquired.

--Source: Release No. 278, Federal Public Housing Authority, November 1945.

Total payments in lieu of taxes of $2,285,432 in 1945 reached a new high level as a result of increasing tenant incomes and rents paid. To the extent that rental income declines in future years, these payments will of course also decline.

--Source: Fourth Annual Report, Federal Public Housing Authority, December 1945.

Examples of Payments in Lieu of Taxes Actually Made by Local Communities

A cross section of local housing authorities who own and operate low-rent public housing report that their payments in lieu of taxes are more than the taxes assessed on the properties before redevelopment. Among these are: Tampa, Fla.; Gary, Ind.; Louisville, Ky.; Memphis, Tenn.; Jacksonville, Fla.; Peoria, Ill.; San Francisco, Cal.; Pittsburgh, Pa.; Hartford, Conn.; Muncie, Ind.; High Point, N. C.; Los Angeles, Cal.; New Haven, Conn.; Houston, Texas; New York, N.Y.; Chicago, Ill.; Albany, Ga.; Buffalo, N.Y.; Charlotte, N. C.; Providence, R.I.; Omaho, Nebr.; St. Louis, Mo.; Fort Worth, Texas.

Some examples of these reports are:

Memphis, Tennessee

Since construction of all the projects, a total of $313,160.32 has been channelled into the City Treasury as payments in lieu of taxes on the developments. This was $82,566.02 or 35.81 percent more than the City Government would have derived in tax revenue from the area if it had remained in slums and tax payments had been 100 percent.

--Source: Annual Report, 1945-46, Memphis Housing Authority.

San Francisco, California

Under private ownership the five sites now occupied by permanent low-rent developments brought $30,000 annually in taxes to the City. Payments by the Authority on these five sites for the past year total $146,411.61.

--Source: San Francisco Housing, July-August 1946. The City & County of San Francisco Housing Authority.

Hartford, Conn.

For 1944, Hartford paid to the City $112,597 in lieu of taxes on its aided projects, or six times the $18,746 taxes originally assessed.

--Source: Hartford Housing Authority, 1944.

Houston, Texas

Payments in lieu of taxes, totaling $60,836, in 1944 exceed by $42,829, or 238 percent, the amount of assessed taxes ($18,007, of which about 40 percent was delinquent) on the same property prior to acquisition and improvement by the Houston Authority.

--Source: Sixth Annual Report, 1944-45, Houston Housing Authority.

Omaha, Nebraska

The City of Omaha and the Board of Education were paid $26,151.73 in lieu of taxes for the past year. Such an amount is approximately $16,000 more than was paid by the same areas now occupied by the Housing Authority before these projects were constructed.

--Source: Annual Report, 1945-46. Omaha Housing Authority.

St. Louis, Missouri

Contrary to what any taxpayer might assume at first thought, tax-exemption for public housing saves money for taxpayers. The payment in both 1944 and 1945 was $85,453 which is exactly 251 percent more than the taxes formerly assessed (but never collected in full) on the sites of the two projects.

--Source: Old Brick, Annual Report, July 1946. St. Louis Housing Authority.

Final Report to the Congress, by Temporary National Economic Committee, 1941. (Gov't. Printing Office, 1941, page 294):

"As to the burden assumed by local treasuries in supporting the housing program, this is much more apparent than real, even in a strictly financial sense. It has already been pointed out that local contributions take the form of tax exemption. Usually, however, the direct financial sacrifice is much less than the theoretical tax loss, since delinquencies are high and collections difficult in the case of run-down slum property of the type frequently involved in U.S.H.A. (low-rent) projects. The replacement of slums by decent well laid-out houses reduces crime, disease, fires, and juvenile delinquency, and hence makes possible a cut in the city budget. The scientific study of urban problems in recent years has shown what a terrible social and financial liability slums are; their elimination, therefore, undoubtedly involves actual financial savings of a substantial sort. Also a housing project invariably raises the value of adjacent real estate, and hence indirectly creates new sources of tax revenue; and, finally, at least during the period of construction, the added employment caused by a project means lower relief and welfare costs."

"It is almost impossible to measure the exact size of these financial offsets to the contribution of the locality, and there is considerable variation from project to project. But it seems safe to assume that on the average the net financial cost to the localities is negligible."

WHAT PUBLIC HOUSING COSTS.

Total actual development cost per dwelling unit, covering all expenditures, including old slum buildings and their clearance, and local authority overhead:

All urban localities, $4,649.

In metropolitan districts:

over 1,000,000 population	$5,104
500,000 to 1,000,000 population	$4,972
250,000 to 500,000 population	$4,448
100,000 to 250,000 population	$4,296

In smaller localities --- $3,884

Farm Localities, $2,350.

--Source: Chart #12, Statement by FPHA Commissioner. Hearings, Senate Banking and Currency Committee, on S.1592, November 1945.

Federal loans to local housing authorities for housing development are fully repaid with interest, and, under past operations, this interest has been sufficient to cover both the interest cost of the money to the FPHA and the full Federal administrative cost for the program.

The only cost to the Federal Government of public housing is the annual Federal contribution which (combined with the local contribution) keeps rents within the means of low income families' ability to pay. Average Federal contributions per dwelling unit per month since 1941 have been as follows:

1941	$12.33
1942	9.62
1943	8.38
1944	7.19
1945	6.03

From the first payment of contributions in the year 1941 to the end of 1945, the FPHA (and its predecessor, the USHA) paid a total of $46,790,040. This constitutes the full cost to the Federal government of the aided low-rent housing and slum clearance program through 1945.

--Source: 4th Annual Report, Federal Public Housing Authority, December 31, 1945.

The Federal contribution (subsidy) to low-rent housing has averaged $7.25 per unit per month since the inception of the program, and in 1946 amounted to only $4.77. The Federal contribution for re-housing a family has averaged $1.98 per person per month, and in 1946 it was only $1.30.

--Source: Public Housing In The Postwar Era. Statement before the Joint Congressional Committee on Housing, by Public Housing Commissioner, January 1948.

WHO LIVES IN PUBLIC HOUSING

The income limits set by local housing authorities restrict admission to public housing to families who are in very low income brackets and who cannot possibly afford to pay the rents necessary to secure decent private housing.

Over 52 percent of the families admitted to the low-rent housing developments in the first half of 1948 had incomes of less than $1,500, while only 9.3 percent had incomes in excess of $2,000. The average income of families admitted was $1,481.

--Source: Statement by Public Housing Administration Commissioner, before the House Banking and Currency Committee, April 7, 1949.

The first 50,000 families admitted to low-rent public housing came from housing that showed the following substandard conditions:

Structural conditions a menace to health and safety.	58%
No running water	16%
No inside private toilet	62%
No private bath	9%
Artificial lighting inadequate	30%
Cooking facilities dangerous or inadequate	40%
Heating dangerous or inadequate	64%
Daylight or ventilation inadequate	49%
Overcrowded	28%

In 1946, the annual income of the families admitted to pre-war low-rent developments averaged only $1,317, while those admitted to the wartime public housing averaged $1,557.

Families in low-rent housing are required to pay all that they reasonably can in relation to their income. In 1946 the average monthly rent, including all utilities, set for the ensuing year was slightly over $29 on the original low-rent developments. This represented approximately 21 percent of the average income of all families including those with three or more minor dependents.

--Source: Public Housing in the Postwar Era. A statement before the Joint Congressional Committee on Housing, by Public Housing Administration Commissioner, January 1948.

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